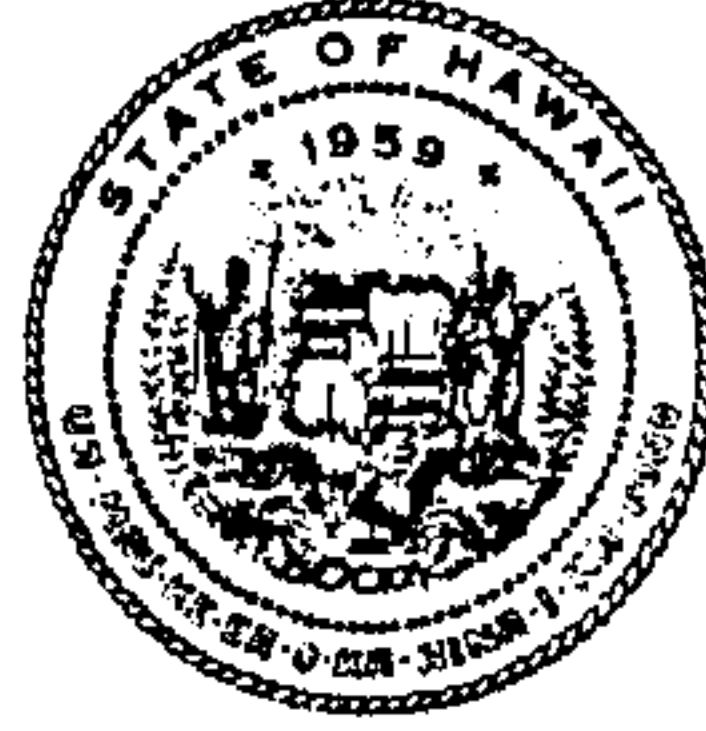


BENJAMIN J. CAYETANO
GOVERNOR



DIRECTOR'S OFFICE
DEPT. OF
TRANSPORTATION

DEC 28 8 37 AM '00

RAYMOND H. SATO
COMPTROLLER

MARY ALICE EVANS
DEPUTY COMPTROLLER

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES
P.O. BOX 119
HONOLULU, HAWAII 96810-0119

DEC 27 2000

COMPTROLLER'S MEMORANDUM NO. 2000-26

TO: Heads of Departments

SUBJECT: Quarterly Interest Rate for Late Vendor Payments

Act 213, Session Laws of Hawaii 1996, amended Section 103-10 of the Hawaii Revised Statutes by setting the interest rate equal to the prime rate for each calendar quarter plus two percent for obligations related to goods delivered or services performed but remaining unpaid after thirty days. The Act limits the interest rate from exceeding 12% per annum and allows it to be adjusted quarterly using the prime rate as posted in the Wall Street Journal on the first business day of the month preceding the calendar quarter.

This memorandum is to inform departments that the interest rate for the quarter beginning January 1, 2001 and ending March 31, 2001 will be 11.5% per annum. To calculate the daily rate of interest, divide the rate of interest by 365 days.

You will be informed of the effective interest rate at the beginning of each calendar quarter. If there are any questions, please contact Kurt Muraoka of our Accounting Division at 586-0610.


RAYMOND H. SATO
State Comptroller

DEC 28 2000